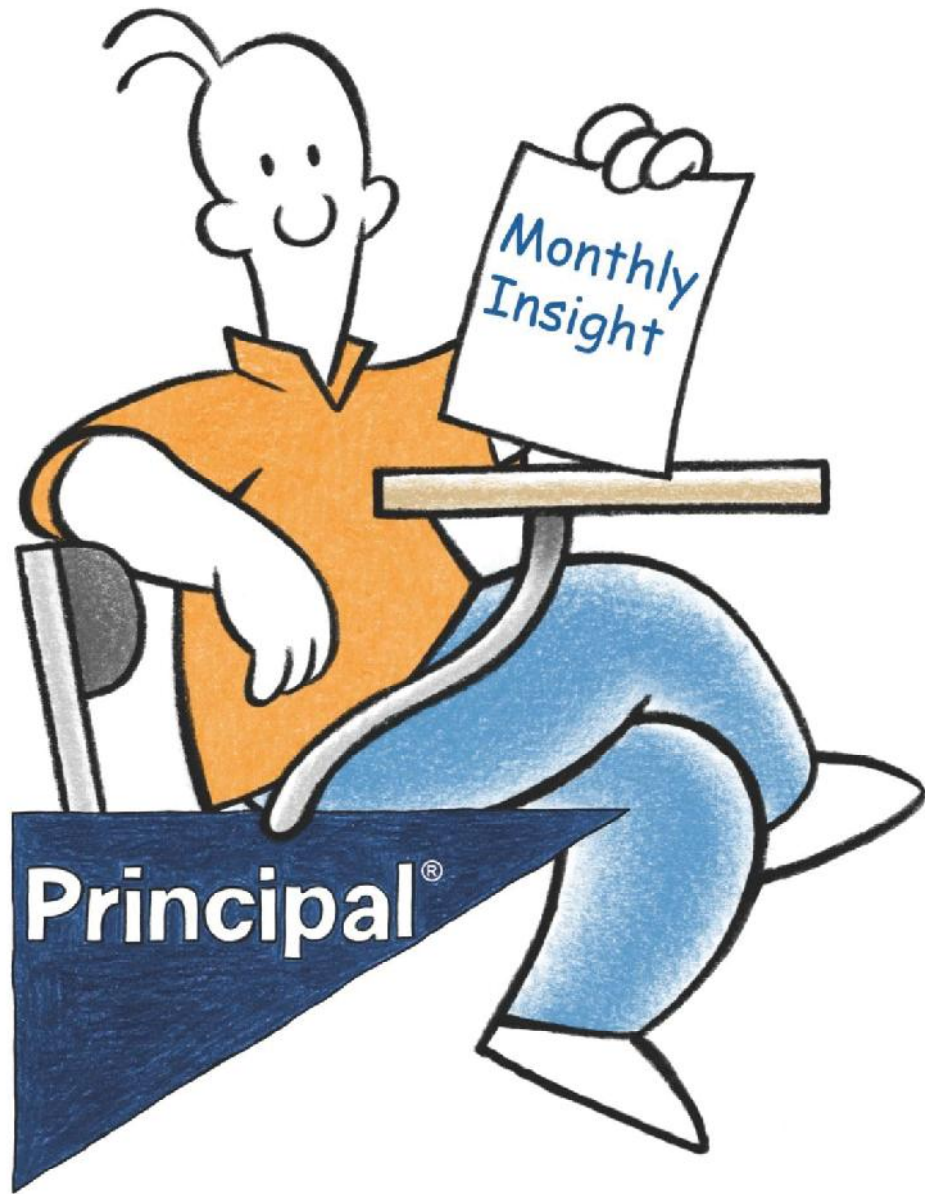


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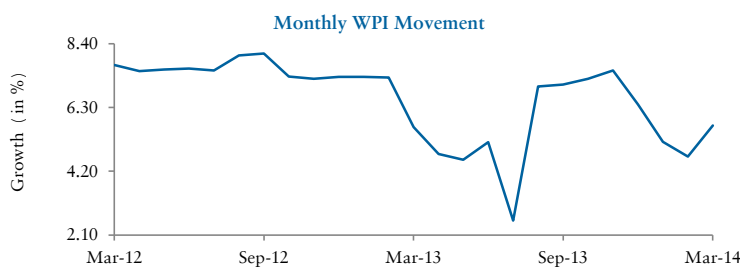
April 2014

## Indian Economy

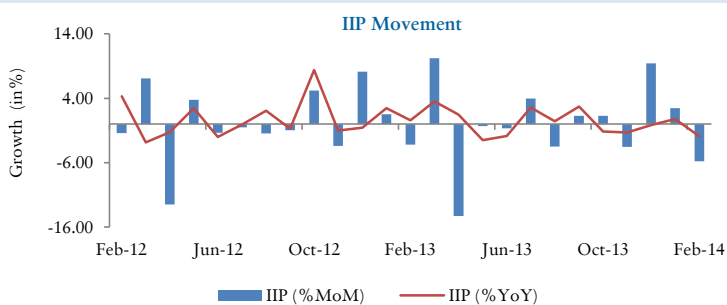
### Economic Releases in April-2014

Policy Rates	Period	Actual	Previous
Repo Rate <sup>^</sup>	Apr-14	8.00%	8.00%
Reverse Repo <sup>^</sup>	Apr-14	7.00%	7.00%
CRR <sup>^</sup>	Apr-14	4.00%	4.00%
Key Indicators	Actual	Previous	
Index Of Industrial Production (IIP)	-1.93% (Feb-14)	0.77% (Jan-14)	
Wholesale Price Index Inflation(WPI)	5.70% (Mar-14)	4.68% (Feb-14)	
Export (Y-o-Y)	-3.15% (Mar-14)	-3.67% (Feb-14)	
Import (Y-o-Y)	-2.11% (Mar-14)	-17.09% (Feb-14)	
Current Account Deficit (\$ Billions)	-4.10 (Dec-13)	-5.17 (Sep-13)	
Fiscal Deficit FYTD (INR Trillion)	599.30 (Feb-14)	532.84 (Jan-14)	

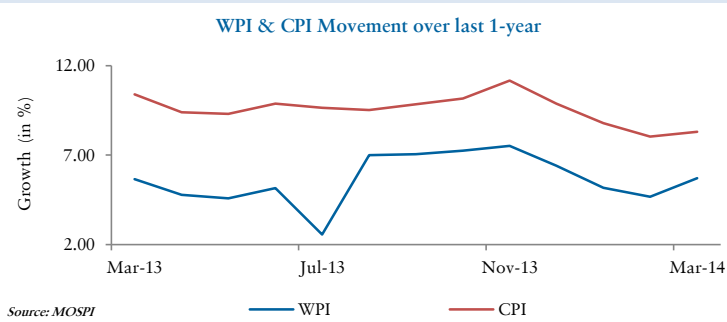
Source: RBI, Reuters; <sup>^</sup>Based on Bi-monthly RBI Monetary Policy review released on 01-April-2014



Source: Office of the Economic Adviser, Ministry of Commerce & Industry



Source: MOSPI



Source: MOSPI

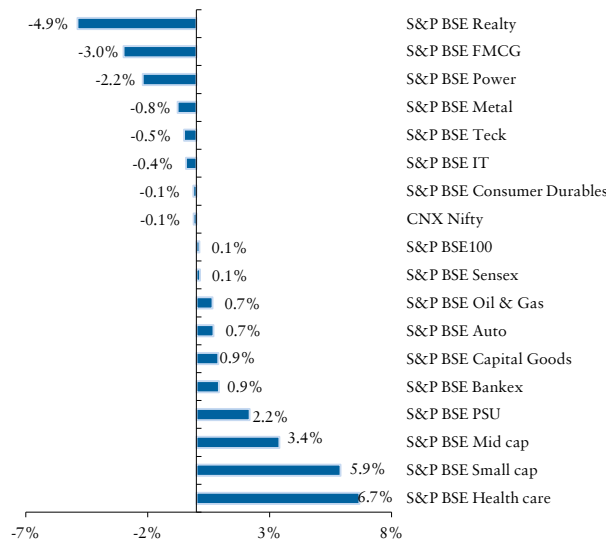
- India is now the world's third largest economy in terms of purchasing power parity, ahead of Japan. This was revealed by the World Bank's latest International Comparison Program released on April 30.
- The Wholesale Price Index (WPI)-based inflation that had gone down to a nine-month low of 4.68% in February has moved up once again to 5.70% in March, the highest in three months. The WPI-based inflation of food items rose by 9.9% in March against 8.12% in the previous month.
- The Central Bank chose to keep the repo rate and Cash Reserve Ratio unchanged at 8% and 4%, respectively at its bi-monthly monetary policy review. In a bid to improve liquidity in the system, the Central Bank, however, has increased the liquidity provided under 7-day and 14-day term repos from 0.5% of Net Demand and Time Liabilities (NDTL) of the banking system to 0.75%. Meanwhile, it reduced the liquidity provided under overnight repos under the Liquidity Adjustment Facility from 0.5% of bank-wise NDTL to 0.25% with immediate effect.
- The Index of Industrial Production (IIP) in February contracted 1.9% against the 0.8% rise in January. The cumulative IIP for April-February has declined 0.1%. To make things worse, the capital goods sector output, which forms the base for future industrial growth, contracted by 17.4% in February.
- According to the Society of Indian Automobile Manufacturers, sales of domestic passenger car and commercial vehicles fell by 5.08% and 24.55% in March. Two-wheeler sales, however, rose 21.16% in March compared to the same month a year ago.
- Core industries' output grew 4.5% in February, a five-month high compared to 1.6% in January. Electricity generation rose to a five-month high of 10.4% in February.
- On the external front, trade deficit widened to \$10.51 billion in March, touching a five-month high due to fall in exports. Exports fell by 3.15% on a yearly basis to \$29.58 billion. During 2013-14, exports, however, grew 3.98% to \$312.36 billion against 8.11% decline in imports. This sharply narrowed down the country's trade shortfall to \$138.59 billion last year from \$190.34 billion a year ago.

## Indian Equity Market

Index PE Ratio & Returns	Closing Values <sup>#</sup>	1 Year	3 Year	5 Year
CNX Nifty*	6,696.40	12.92	5.21	14.02
CNX Nifty PE	16.00	15.25	17.62	14.08
S&P BSE Sensex*	22,417.80	14.94	5.41	14.47
S&P BSE Sensex PE	16.44	15.70	17.36	13.84

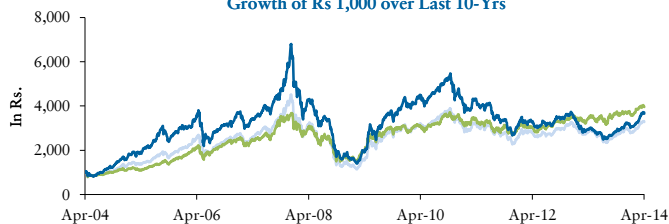
Source: NSE, BSE, \* Returns less than 1 year are absolute, greater than 1 year are Compounded Annualized, <sup>#</sup> As on 30-Apr-2014

### Monthly returns as on April 30, 2014



Source: MFI Explorer

### Growth of Rs 1,000 over Last 10-Yrs



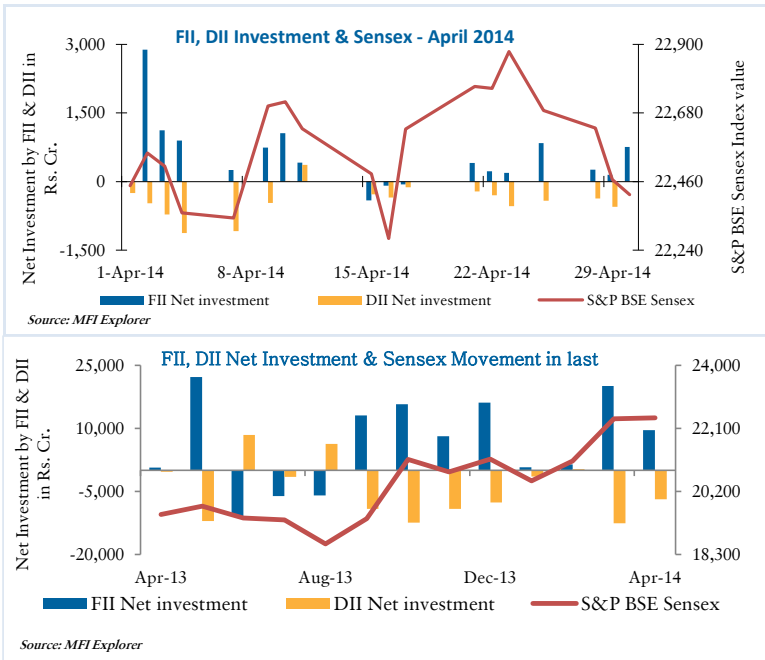
Source: MFI Explorer

### Domestic Benchmark Indices Trailing P/E



Source: MFI Explorer

- Indian equity markets closed on a flat note after touching fresh record highs during the month as investors remained cautious about the outcome of the general elections. Moreover, higher-than-expected retail and wholesale inflation numbers for March dampened market sentiments. The Indian Meteorological Department (IMD) said that the country would see below-average monsoon rainfall in 2014, which hit bourses further. However, the International Monetary Fund (IMF) predicted that the Indian economy will expand 5.4% in 2014-15 and 6.4% in the following year, which helped improve sentiments.
- While S&P BSE Sensex rose marginally by 0.14% to close at 22,417.80 points, CNX Nifty fell 0.12% to close at 6,696.40 points. However, broader indices outperformed the key benchmark indices as S&P BSE Mid-cap and S&P BSE Small-cap rose 3.40% and 5.91%, respectively.
- Bourses gained initially during the month as positive sentiments prevailed owing to sustained buying of Indian stocks by Foreign Institutional Investors. The Central Bank kept the key policy rates unchanged at its first bi-monthly policy review, which supported the markets. However, sentiments dampened later after HSBC India Composite Output Index declined from 50.3 in February to 48.9 in March, as manufacturing production growth eased and service sector activity fell at a faster pace during the month. Meanwhile, the HSBC Services Business Activity Index fell to 47.5 in March from 48.8 in February, remaining below the 50 level for the ninth consecutive month.
- Markets recovered soon after the IMF projected India's economy to grow by 5.4% in 2014-15 and 6.4% in 2015-16 on the back of strengthening global growth, improving export competitiveness and implementation of recently-approved investment projects.
- The momentum could not be sustained and markets fell after official data showed that the trade deficit widened to a five-month high of \$10.5 billion in March from \$8.13 billion in the previous month due to decline in exports. The country's exports fell by 3.15% to \$29.57 billion in March compared to \$30.54 billion recorded in the same month of the last year.
- Bourses fell further after both wholesale and consumer inflation rose more than expected in March, reducing hopes of any immediate monetary easing by the Central Bank. Wholesale price inflation rose to a three-month high of 5.70% in March compared to 4.68% in February while consumer price inflation rose to 8.31% in March from 8.03% in February.



- However, markets rose thereafter on hopes of a stable Government at the Centre, which may spur economic growth. Investor sentiments improved further after a global credit rating agency said that it may upgrade India's rating outlook if the new Government addresses some of the country's fiscal and economic challenges. Towards the end of the month, markets remained under pressure due to concerns over higher domestic inflation. A threat to the inflation guidance emerged after the IMD forecasted that the country would see below-average monsoon rainfall in 2014.
- On the BSE sectoral front, majority of the indices closed in red. S&P BSE Realty was the major laggard, falling by 4.88% followed by S&P BSE FMCG, which dropped by 2.98% in April. The realty sector came under pressure as investors resorted to profit booking after recent gains. The healthcare sector was the major gainer and rose 6.68% over the month. S&P BSE Bankex and S&P BSE Capital Goods rose 0.92% and 0.89%, respectively.

## Regulatory Update

- The Central Bank has issued additional guidelines for banks giving gold metal loans (GMLs) to jewellers as it has detected a few instances of fraud. The Central Bank has asked the lenders to check the track record and credit worthiness of borrowers, collateral securities against the loan as well as the trade cycle of the manufacturing activity before sanctioning GMLs.
- The Central Bank said that it will compute and release Real Effective Exchange Rate (REER) only on the basis of the Consumer Price Index (CPI) as the price index for India from this financial year. It added that REER index constructed using a CPI for both India and trade partner countries would ensure a higher degree of comparability of the former's international competitiveness vis-a-vis trading partner countries.
- The Securities and Exchange Board of India has restricted foreign investors from buying Government Securities having maturity of less than one year. However, the overall limit for FII investments in Government Securities remained unchanged at \$30 billion.
- The Central Bank asked banks to give the benefit of differential rate of interest to Micro and Small Enterprises (MSE) on the basis of credit guarantee cover. The Central Bank in a notification advised banks that while pricing their loans to MSE borrowers, banks should take into account the incentives available to them in the form of credit guarantee cover of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). The cover provided by CGTMSE helps banks to protect risk arising out of default as the loans are insured by the guarantee fund trust.
- The Government hiked the import tariff value on gold and silver to \$431 per 10 gram and \$646 per kg, respectively. During the first fortnight of the current month, tariff value on imported gold was fixed at \$421 per 10 gram and silver at \$644 per kg.
- The Central Bank has asked the Fixed Income Money Market and Derivatives Association of India and the Foreign Exchange Dealers' Association of India to act as administrators of the Indian rupee interest rate and foreign exchange benchmarks.

Source : Reuters

## Indian Fixed Income

### RBI Policy Rates

Key Rates (%)	Current <sup>^</sup>	Previous
Reverse Repo Rate	7.00	7.00
Repo Rate	8.00	8.00
CRR	4.00	4.00
SLR	23.00	23.00
Bank Rate	9.00	9.00

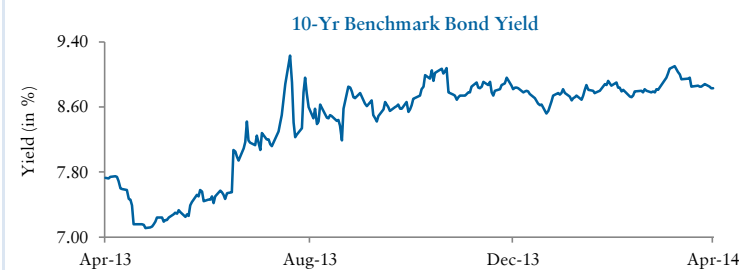
<sup>^</sup>Based on Bi-monthly RBI Monetary Policy review released on 01-April-2014

Source: RBI

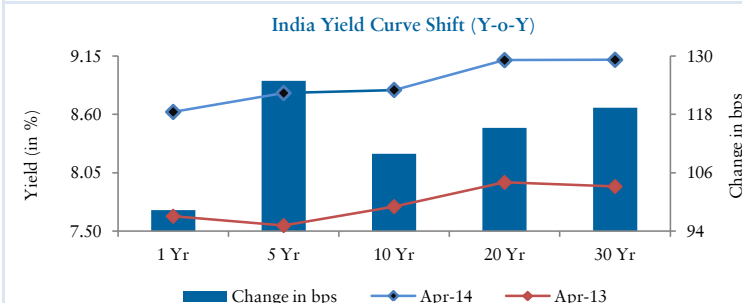
Debt Indicators (Yield %)	Apr-14	Mar-14
Call Rate	8.77%	9.57%
1 Mn NSE Mibor	8.98%	9.89%
10-Yr Benchmark Bond	8.83%	8.81%
91-Day T-Bill <sup>#</sup>	8.88%	9.13%
182-Day T-Bill <sup>#</sup>	8.93%	8.99%
364-Day T-Bill <sup>#</sup>	8.96%	8.96%

<sup>#</sup> Indicates Monthly Average cut off during Auction

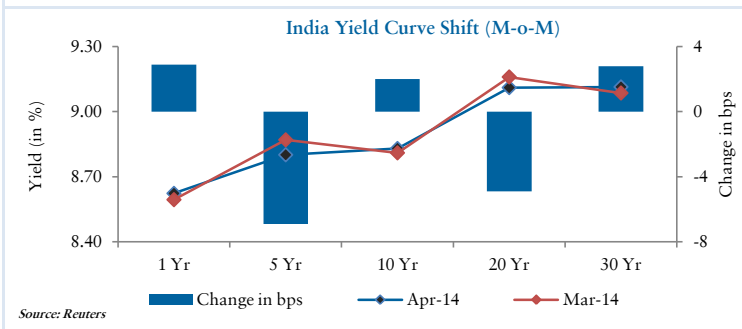
Source: RBI



Source: CCIL



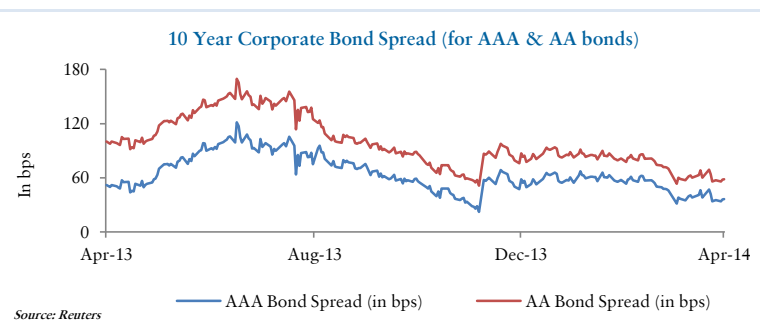
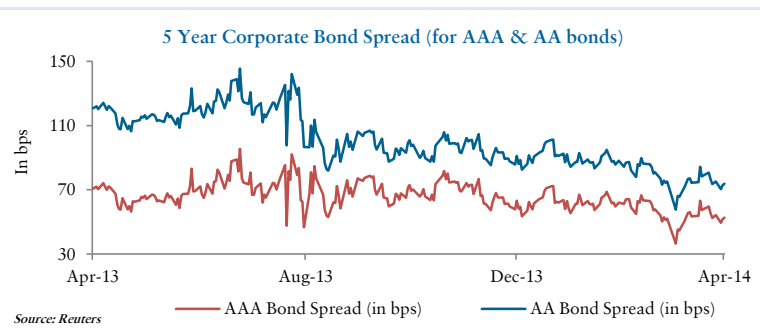
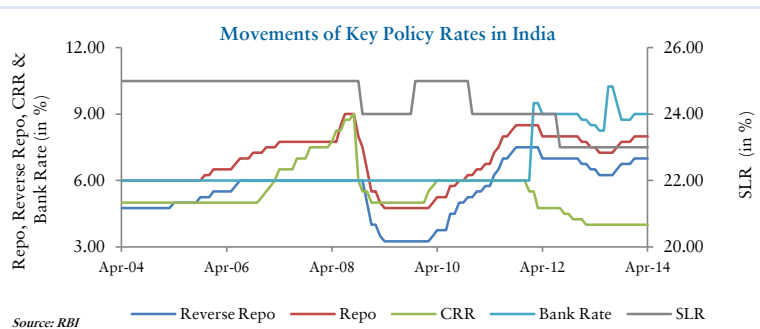
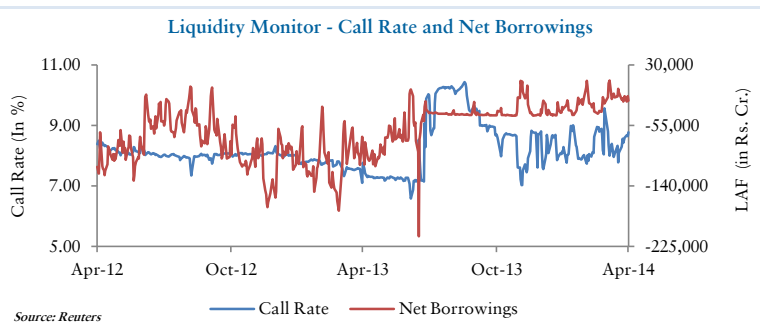
Source: Reuters



Source: Reuters

- Bond yields remained volatile and moved up marginally by 3 bps as investors continued to offload their investments in bond markets and remained cautious ahead of the debt auctions scheduled during the month.
- Bond yields surged at the beginning of the month by as much as 16 bps on a single day as investors became concerned over tightening cash conditions after the Central Bank reduced the liquidity under the Liquidity Adjustment Facility (LAF). The Central Bank, in its bi-monthly monetary policy review, increased the liquidity provided under 7-day and 14-day term repos from 0.5% of Net Demand and Time Liabilities (NDTL) of the banking system to 0.75%, and decreased the liquidity provided under overnight repo under the LAF from 0.5% of bank-wise NDTL to 0.25%.
- Bond yields rose further after the Central Bank's first debt auction of the new fiscal was under-subscribed for one of the tranches; increasing concerns over weak demand after the Central Bank set a higher underwriting fee for the same. Market sentiments remained weak as the Wholesale Price Index (WPI)-based inflation rose more than expected in March, compared to that of the previous year.
- There was further pressure on yields after a possibility of higher inflation emerged following the India Meteorological Department's forecast of below-average monsoon. Earlier, the Central Bank had said in its policy statement that further easing of vegetable prices is unlikely in the near term and the impact of the El Nino weather phenomenon on the monsoon could have an adverse bearing on inflation.
- However, losses were capped after the Central Bank fully sold Rs. 20,000 crore worth of bonds on offer, accomplishing the country's biggest debt auction. The cut-offs for the auction came in better than expected. Short covering and bargain buying by investors also boosted bond yields. Bond markets found further support after the Central Bank announced additional liquidity measures to address the liquidity crunch, while the sale of the auction papers during the last week of the month were also in line with expectations.
- After moving in the range of 8.81% to 9.13%, the 10-year benchmark bond yield closed up 3 bps at 8.83% compared to the previous month's close of 8.80%.





- The interbank call money rates moved in the range of 7.78% to 8.80% during the month, against 7.73% to 9.57% recorded in the previous month. *Liquidity conditions eased initially following a series of measures announced by the Central Bank at its bi-monthly monetary policy meet.* However, the trend reversed later during the month. Banks' net average borrowings through the LAF window fell considerably to Rs. 12,346.53 crore compared to the previous month's average borrowing of Rs. 23,393.00 crore. Under the Central Bank's Marginal Standing Facility window, the average borrowing stood at Rs. 2,978.53 crore, much lower than the previous month's average of Rs. 6,520.21 crore.
- The Central Bank conducted auctions of 91-days, 182-days and 364-days Treasury bills worth Rs. 45,000 crore, Rs. 12,000 crore and Rs. 18,000 crore, respectively over the entire month. The cut-off yield stood in the range of 8.86%-9.02%. The Central Bank also conducted auctions of State Development Loans for a maximum of eleven states for a notified amount of Rs. 13,801 crore. The amount accepted was Rs. 14,301 crore. The cut-off stood in the range of 9.37%-9.66%. The Central Bank conducted term repo auctions for a notified amount of Rs. 1,41,000 crore, for which the accepted amount was Rs. 1,39,932 crore.
- Yields on Gilt Securities fell across most of the maturities in the range of 3 bps to 25 bps, barring 1-year, 2-year, 10-year and 30-year papers, where it increased by up to 22 bps. Corporate Bond yields also declined on the entire segment in the range of 5 bps to 8 bps, with the highest change seen on 1-year maturity and the least on 7-year and 15-year maturities. *The spread between AAA Corporate Bond and Gilt witnessed a mixed trend. It contracted the most on 2-year maturity by 29 bps and expanded the most on 8-year paper by 19 bps.*
- As per the Central Bank's report on Scheduled Bank's Statement of Position in India, *bank deposit and bank credit grew 15.31% and 14.29%, respectively on a yearly basis for the fortnight ending April 18, 2014.* The Central Bank said that reserve money rose at an annualised 9.0% in the week to April 25 against 7.4% a year earlier. The currency in circulation grew 9.4% in the week to April 25, lower than 10.8% recorded a year earlier. M3 money supply rose at an annualised 13.9% in the two weeks to April 18, compared to 12.9% growth witnessed a year before.

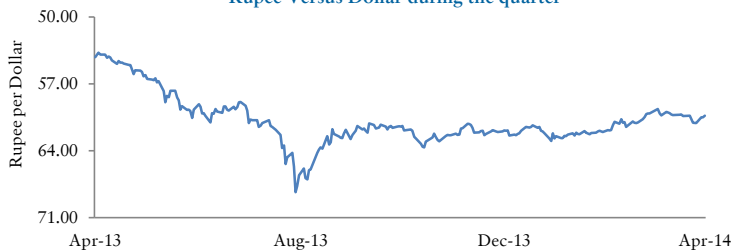
## Currency

Movement of Major Currencies (Denominated in Indian Rupee)

Currency	Value(as of 30-Apr-2014)	1 Mth Ago	3 Mths Ago	1 Year Ago
INR/1 USD	60.34	60.10	62.48	54.22
INR/1 EURO	83.31	82.58	84.60	70.98
INR/1 GBP	101.45	99.85	102.95	84.00
INR/ 100 YEN	58.93	58.83	60.96	55.47

Source: RBI

Rupee Versus Dollar during the quarter



Source: RBI

## Commodity

Performance of various Commodities

Commodities	Value(as of 30-Apr-2014)	Returns (in %)			
		1 Wk Ago	1 Mth Ago	6 Mths Ago	1 Year Ago
Crude Brent (\$/Barrel)	108.98	-0.14	2.42	1.16	6.13
Gold (\$/Oz)	1291.29	0.62	0.60	-2.41	-12.55
Gold (Rs./10 gm)	29773.00	-0.05	4.03	-2.97	9.72
Silver (\$/Oz)	19.11	-1.49	-3.04	-12.54	-21.29
Silver (Rs./Kg)	41892.00	-1.33	-2.64	-13.77	-7.90

Source: Reuters, MCX

Movement of Commodity Prices Over 1 Year (Rebased to 100)



Source: Reuters

## INR

- After witnessing gains in the last month, the Indian rupee fell 0.67% in April as fall in domestic equity markets hit the currency. Continued dollar demand from oil importers, higher trade deficit in March and weaker regional currencies kept the rupee under pressure. Moreover, the Central Bank has been buying dollar for quite some time to shore up its reserves and prevent excessive appreciation in the rupee. However, dollar sales by exporters and state-run banks capped the losses to some extent.

## Euro

- The euro strengthened against the dollar after minutes of the Federal Reserve's March meeting indicated that rates are likely to remain unchanged in the near term. Better-than-expected Euro zone economic data also increased demand for the currency. The euro rose further as rising tensions between Russia and Ukraine hit the greenback. However, gains were capped after the European Central Bank President said that further rise in the euro would trigger additional monetary easing measures to keep inflation rates at comfortable level.

## Crude

- Brent crude prices rose 2.42% during the month. Initially, oil prices fell after China's HSBC Manufacturing PMI data dropped to an 18-month low in March. However, prices started rising thereafter as there were no signs of improvement in the Ukraine-Russia impasse. A weak dollar supported oil prices further. Libya's Oil Minister's comments that there was no certainty about resumption of steady oil output provided additional support. Prices rose further on the back of better-than-expected first quarter GDP data from China and rise in U.S. industrial production in March.

## Gold

- Gold prices rose marginally by 0.60% during the month. Initially, gold prices eased as growing optimism about the U.S. economy hurt the safe-haven appeal of the metal. The downturn continued as the dollar strengthened after the European Central Bank kept interest rates unchanged. Later during the month, gold prices recovered as investors sought the safe-haven metal due to persisting geo-political tensions in Ukraine. Prices moved up further after minutes from the U.S. Federal Reserve's latest policy meeting eased worries of an early interest rate hike. However, the metal could not sustain its gains on the back of sharp outflows from the world's largest bullion-backed exchange traded fund.

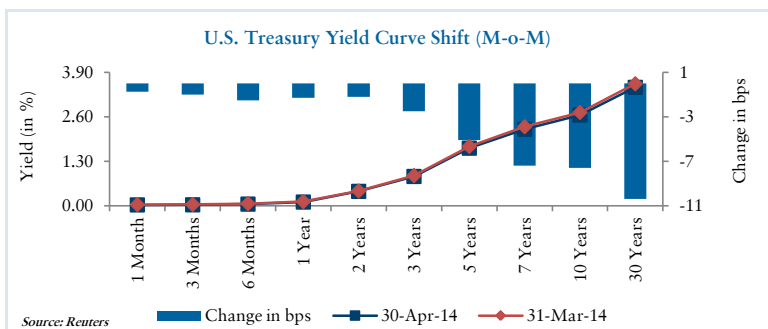
## Global Equity Market

Performance of Major International Markets  
(as on April 30, 2014)

Indices	Country	1 Mth
<b>United States</b>		
Nasdaq 100	U.S.	-0.38
S&P 500	U.S.	0.62
DJ Industrial Average	U.S.	0.75
<b>Asia Pacific</b>		
SET IDX	Thailand	2.81
JSX Composite	Indonesia	1.51
FTSE Straits Times	Singapore	2.39
KOSPI	S. Korea	-1.20
Hang Seng	Hong Kong	-0.08
NIKKEI 225	Japan	-3.53
Shanghai SE Composite	China	-0.34
S&P BSE Sensex	India	0.14
S&P/ASX 200	Australia	1.75
<b>Europe</b>		
FTSE 100	U.K.	2.75
CAC 40	France	2.18
FSE DAX	Germany	0.50

Source: MFI Explorer & Reuters

## Global Fixed Income - U.S.



### United States

- Continuing with the last month's trend, U.S. markets rose marginally in April, except Nasdaq 100, which closed in red. Strong economic data coupled with positive quarterly earnings numbers from the corporate houses supported the bourses. The Federal Reserve's (Fed) decision to reduce its asset-purchase program by another \$10 billion also weighed on investor sentiments.

### Europe

- European markets rose during the month on the back of a series of positive economic data including Euro zone manufacturing sector, Euro zone retail sales, German manufacturing besides others. Although, the European Central Bank decided to keep its interest rates unchanged, it reiterated that it is open to further policy easing. However, concerns over Ukraine and flash estimates from Eurostat showing that the Euro zone inflation rose at a lower-than-expected rate in April hit markets later.

### Asia

- Most of the key Asian equity indices remained under pressure apart from the Straits Times. Initially, markets rose after official data showed China's manufacturing activity improved in March. However, gains were capped after the Bank of Japan refrained from expanding its ultra-loose monetary policy. Besides, weak Chinese trade data put pressure on the indices.

- Initially, U.S. bond yields rose following stronger-than-expected U.S. manufacturing data. It rose further after data showed U.S. private payrolls were revised higher and factory orders rose sharply in February, increasing hopes of positive non-farm payrolls data.
- However, a sell-off on Wall Street increased the demand of the safer Government debt. Sentiments improved further following the release of minutes of the Federal Reserve's March policy meeting. Bond markets got more support as investors preferred the U.S. bonds amid persisting crisis in Ukraine.
- U.S. Treasury yields rose again during the middle of the month as stock markets gained and better-than-expected retail sales data increased expectations that economic growth is picking up pace. However, during the month-end, U.S. Treasury yields declined after data showed that the world's largest economy grew much weaker than expected in the first quarter.



### Direct Tax Code and what should investors know about it

First introduced in 2008 to replace the half-a-century old direct tax system with an effective and equitable direct tax policy that would increase tax compliance rate and eliminate distortion in the tax structure, the Direct Taxes Code, 2013 (DTC) is making headlines again. The Government has recently released a revised version of the DTC on the website of the Income-tax (IT) department for public comments.

#### Brief Overview

The Income Tax Act 1961 and the Wealth-Tax Act 1957 are amended every year through the Finance Act. Besides, a multitude of judgments on various tax provisions rendered by different courts often contradict each other and make the dispute settlement process cumbersome. Moreover, the Government felt the necessity to increase the tax base. This is based on three elements: Firstly, minimizing exemption, as they erode tax base, secondly, reducing the number of ambiguities in law and thirdly, checking tax-base erosion through tax evasion. This necessitated drafting of a code to consolidate and amend the law relating to all direct taxes. Accordingly, a draft code along with a concept paper was released on August 12, 2009 inviting suggestions from public. The bill was referred to the Standing Committee on Finance (SCF) on September 9, 2010 for examination and report thereon. The SCF presented its report to the Speaker, Lok Sabha in March, 2012.

Since the Direct Tax Code Bill 2010 was introduced in Parliament, the Income Tax Act 1961 and Wealth Tax Act 1957 had undergone several amendments through Finance Acts, 2011, 2012 and 2013. These amendments were consistent with the policy laid down in the DTC Bill, 2010. As a result of such amendments, the legislative process became cumbersome and made the bill incomprehensible. Hence, it was decided to revise the Direct Taxes Code, incorporating all the amendments and presenting it as a fresh bill. Accordingly, a new revised Direct Taxes Code, 2013 was drafted.

#### Recommendation of SCF

The SCF had made a number of recommendations, of which some were accepted while the others were rejected. The relevant recommendations are as follows:

- The SCF has recommended a revised tax slab wherein no tax is levied on income up to Rs.3 lakh and the highest tax rate of 30% to apply to taxable income over Rs.20 lakh. The underlying objective of such recommendation is to provide relief to small tax payers and to increase tax rates for high income group. However, this was not accepted by the Government as it could result in huge revenue loss.
- In an attempt to maintain overall progress in levy of income-tax, the revised code provides for a fourth slab for individuals, HUFs and artificial juridical persons. According to the slab, if the total income exceeds Rs.10 crore, it is proposed to be taxed at the rate of 35%.
- The committee had recommended an in-built mechanism to be embedded in DTC whereby the tax slabs will be periodically adjusted for Consumer Price Index. However, the Government found it impracticable for a number of reasons. Firstly, it is not clear why the Consumer Price Index should be the base and not the Wholesale Price Index. Further complications may arise if the base of the index or the commodity basket changes. Moreover, indexing the slabs to inflation index is not a comprehensive approach as the slab structure is dependent on a number of factors including other reliefs given to a taxpayer, potential revenue loss to the Government, number of taxpayers who would go out of the tax net etc.

- In DTC Bill 2010, the wealth tax was levied only on the unproductive assets. This substantially reduced the base of wealth tax. In an attempt to widen the tax base, the revised code captures all assets for wealth tax, whether physical or financial. Wealth-tax is proposed to be levied on individuals, HUFs and private discretionary trusts at the rate of 0.25%. The threshold for levy of wealth tax in the case of individual and HUF will be Rs.50 crore.
- The SCF recommended abolition of Securities Transaction tax (STT), which was rejected by the Government on the ground that the same is required to regulate day trading. Besides, the rate of STT has been significantly reduced in the Finance Act 2013.
- The DTC Bill 2010 proposed to tax rental income from commercial and non-commercial letting out of property as 'income from house property'. Later the SCF recommended distinguishing between commercial and non-commercial letting out of property which was accepted in the draft code. Accordingly, the income from a house property, which is not used for business or commercial purposes, will be taxed under the head 'income from house property'. The rental income from commercially lent-out property has been proposed to be now taxable as business income, eligible for allowance of expenses and depreciation.
- The committee recommended that in case of deduction in respect of interest on loan taken for self-occupied house property, the loan given by the employer should also qualify for concession. The same has been taken into account and proposed by the Government for acceptance.
- Under the Income-tax Act as well as in the DTC Bill, 2010, the Dividend Distribution Tax is levied at the rate of 15%. This favoured high net worth taxpayers who pay only a fraction of their earnings as tax on their investments in the capital market. The draft DTC proposes to remove this anomaly by levying 10% additional tax on the resident recipient if the total dividend in his hand exceeds Rs.1 crore.
- The code proposes to levy Income Distribution Tax on equity-linked insurance products on the lines of equity-oriented mutual funds. The underlying objective is to provide parity in treatment of insurance and mutual fund products. For a life insurance company, only the surplus determined in the shareholder's account would be taxed. This may benefit the policyholders as it would leave more money in the policyholder's account. Besides, pure life insurance products are also outside the tax ambit.
- The draft code does not provide for the Settlement Commission. This is due to the fact that the Settlement Commission was unable to achieve the intended purpose of early settlement of cases and additional revenue realization. Besides, the backlog of cases has reduced the efficacy of search and survey actions.

## Roadmap for implementation of DTC 2013

Over the past couple of years, economic slowdown on the domestic front has affected the country's image as an investment destination. However, the Government has undertaken a number of measures to restore investors' faith. While, the DTC Bill 2013 shows a serious attempt to go ahead with its unfinished reforms agenda, the same will become a reality only with the passing of the code into a law through legislative process. No specific timeline has been set out for providing comments from the public. Moreover, with the general elections going on, any change in the Government will only prolong the wait for the law.

Source: Income tax India Website, Significant changes in the proposed Direct Taxes Code, 2013.

**Source for data, graphs and analysis, unless otherwise specified: ICRA Online Research**

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